

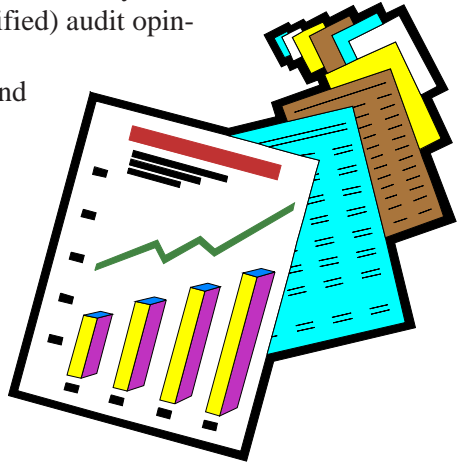
# FINELINE

**December 2004***A Division of Finance monthly communication service*

## Annual Report Shows Utah's Financial Condition

**W**ith the completion of the fiscal year 2004 audit, the State's Comprehensive Annual Financial Report (CAFR) will be distributed in December. We wish to thank all those who helped in the yearend closing process, which enabled us to finalize the State's accounting records. With your help, we again received a clean (unqualified) audit opinion from the State Auditor.

The CAFR is required by state law and complies with generally accepted accounting principles. It is the official record of the State's financial position at June 30, 2004. It is sent to legislators, department and division directors, budget and accounting officers, the State's bond rating agencies, banks, other states, the U.S. Census Bureau, and other interested parties.



An important feature in the CAFR is the Management's Discussion and Analysis (MD&A). The MD&A provides an analysis of the State's financial position and results of operations for the fiscal year in narrative format, backed by charts and graphs that summarize data from the financial statements. The MD&A is meant to help readers evaluate whether the State's financial condition has improved or deteriorated. Following are some of the highlights from the MD&A.

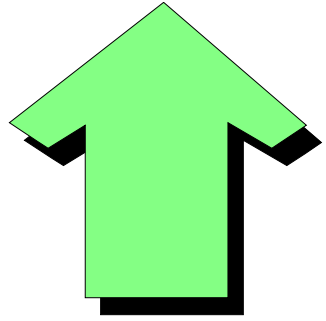
### Budget

- ◆ The General Fund and Uniform School fund ended the fiscal year with "surplus" from unreserved and undesignated sources of \$44.8 million and \$50.7 million, respectively. By law, half of the General Fund surplus, or \$22.4 million, was transferred to the Rainy Day Fund and an additional \$6.1 million was carried forward by law for other purposes. The Rainy Day Fund ended the year with a balance of \$53.6 million. Twenty-five percent of the Uniform School Fund surplus, or \$12.7 million was transferred to the Education Budget Reserve Account, which ended the year with a balance of \$13.3 million.
- ◆ Combined tax revenues were 5.3% higher in the General Fund and 7.4% higher in the Uniform School Fund than in the prior year, as Utah's economy continued to show signs of improvement. Federal funding was the largest single factor in increasing General Fund revenues, as federal mineral lease revenues increased 45.1% from the prior year, driven by higher oil prices; and federal contracts and grants climbed 14.2% from the prior year, driven by demand for services and higher costs.

*Article continues on page 2*

## Utah's Financial Condition (article continues from page 1)

- ◆ Expenditures in the General Fund increased approximately 7% over 2003, as the economic slowdown of the prior two years increased demand for public services such as Food Stamps and Medicaid. Public Safety expenditures also increased sharply, largely due to increased federal funding for emergency services and homeland security programs.



### Government-Wide

- ◆ Appropriations from taxes and other general revenues covered approximately 55% of agencies' costs, compared to 58% in the prior year. Grants and charges for services (program revenues) covered the remaining agencies' costs.
- ◆ The State reported \$9.6 billion in capital assets, net of depreciation. This is an increase of \$304.5 million from the prior year and includes all of the State's roads, bridges, and other infrastructure.
- ◆ The State maintained its triple "A" rating on its general obligation bonds from all three rating agencies, the best ratings possible.

The 2004 CAFR will be available, in December, on the Finance Web site in portable document format (PDF) at: [www.finance.utah.gov/reports/cafr.htm](http://www.finance.utah.gov/reports/cafr.htm). ❖

## Be Sure Employees Know These Important Payroll Dates

### W-2 Forms

Please be sure all employees are aware that W-2 forms will be mailed to employees' homes. Because W-2 forms are mailed to the name and address on the check stub or deposit advice, each employee should verify by Dec. 17 that this information is correct. If there is an error, contact the agency personnel technician to correct the name or address. Agencies should make name and address corrections for both current and terminated employees in the HRE Personnel System.

The Division of Finance will send all W-2 forms to State Central Mail on Jan. 14, 2005, to be mailed to both current and terminated employees.



### Use or Lose

The last day for employees to use or donate any annual or converted sick leave over 320 is Dec. 31, 2004. The accrual of annual leave for pay period 26 that ends on Dec. 31 should also be used or donated by this date.

### Do Not Convert

For employees who are eligible, the Payroll System will automatically transfer eligible unused sick leave to converted sick leave on Jan. 13, 2005. Employees who do not want the leave converted should notify their agency payroll person by Feb. 28, 2005. ❖

## Policy Limits Use of State Funds for Holiday Decorations

This is a reminder to agencies that, according to state policy, only limited state funds may be used for holiday decorations.

State funds up to \$50 per department and/or division, and/or office (office as defined by your department) may be used for lights, ornaments, artificial trees (no live trees may be purchased from this allowance), and other nonreligious decorations.

State funds **should not be used** for special holiday cards or stationery, printing costs of holiday messages, mailing expenses, decorations, or other related items, except for limited holiday decorations during December (the \$50 allowance noted above).

In addition to the allowance noted above, state funds may be used for holiday decorations for state-owned buildings that are under the direction of the Division of Facilities Construction and Management. State funds also may be used for certain holiday expenses for the residents at the Utah State Developmental Center, The Utah State Hospital, the Schools for the Deaf and Blind, the State Youth Centers, group homes, and other similar facilities, as allowed by the head of the institution or facility.

These restrictions are set by State of Utah accounting policy FIACCT 05-09.00, Payment – Expenditure of State Funds for Holidays, Funerals, etc. The policy is available on the Division of Finance Web site at [www.finance.utah.gov](http://www.finance.utah.gov). Mouse over the *Publications* button on the left, and then click on *Accounting Policies and Procedures*.

If you have questions about admissible expenditures, contact Carol Young at 801-538-3100 or [cyoung@utah.gov](mailto:cyoung@utah.gov). ❖



## News from the State Travel Office

### Travel Information Is Easier to Access on the Internet

We have made it easier to access information about the State Travel Office on the Division of Finance Web site ([www.finance.utah.gov](http://www.finance.utah.gov)) by adding a button specifically for State Travel.

To access travel information, mouse over the *State Travel* button on the left and then click on the topic you are interested in.



### Changes to Enterprise Car Rental Contract Reduce Some Rates

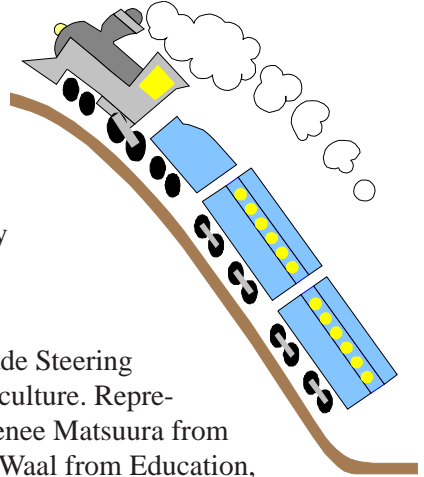


The contract with Enterprise Rent-A-Car, our secondary car rental agency, has been revised to waive the airport surcharge for 18 locations, in addition to Salt Lake City.

You can read details of the new rates in the November issue of the *Travel Update* newsletter on our Web site at [www.finance.utah.gov/pdf/trvnov04.pdf](http://www.finance.utah.gov/pdf/trvnov04.pdf). ❖

## Momentum Is Building on the FINET Upgrade Project

The FINET upgrade continues to gain momentum. Up to this point our focus has been to prepare FINET data, business process scripts, and the new FINET environment for prototyping. New prototype, security, and test environments have been built, and we are on schedule to begin prototyping our business scenarios on Dec. 6. This task will involve many project team members working in each of the functional areas of the system including inventory, fixed assets, receivables, disbursements, security, cost accounting, general accounting, and inter-agency transaction processing.



### Steering Committee

On Nov. 10 we held our first FINET Upgrade Steering Committee meeting at the Department of Agriculture. Representing the agencies on that committee are: Renee Matsuura from Agriculture, Fred Jayne from Courts, Judy DeWaal from Education, Craig Silotti from DEQ, Sandy Naegle from GOPB, Shari Watkins from Health, Jim Egbert (sitting in for Dennis Carver) from Natural Resources, Scott Stevens from Tax, Marci Soper from UDOT, and Kris Springer from Workforce Services. Many of these individuals worked on the initial FIRSTPlus project when FINET was implemented 10 years ago. We look forward to working with this great group of people, and we are grateful that they have stepped forward to help us with the upgrade.

The role of the FINET Upgrade Project Steering Committee is to provide strategic guidance for the project. The Steering Committee is responsible for reviewing major issues and decisions affecting the scope or activities of the project and for providing the long-term, state agency perspective required for success. Project issues will also be discussed at the monthly ACT meetings.

### Interface Systems

In the area of interfaces with FINET, we are continuing the task of contacting a representative of each system that sends data to or receives data from FINET to ensure they know that FINET is being upgraded, and that their interface file may be affected. In the coming weeks we will meet with the technical persons from each interfacing system and provide them with specifications and requirements for the upgraded system.

If you know of a system that sends an interface file to FINET and the person responsible for the system hasn't heard from us by the end of November, please ask that person to contact the FINET Help Desk at 801-538-9690. ❖

## Contact the Division of Finance

**Division Receptionist**  
801-538-3082

**Disbursements**  
801-538-3200

**FINET Help Desk**  
801-538-9690

**Financial Reporting**  
801-537-9081

**Data Warehouse**  
801-538-3530

**Payroll**  
801-538-3056

## Audit Shows How to Improve Accounts Payable Process

As the recovery audit continues, we learn ways to improve the State's accounts payable process. The contractor for the recovery audit has contacted approximately 1,000 high volume vendors looking for credit balances. Some of these vendors have responded with credit balances that have been on their books for years.

A credit balance can occur when the vendor offers a discount for early payment and the payment is made within the discount period, but the discount is not taken. It can also occur when merchandise is ordered, paid for, and then returned. The vendor may issue a credit memo rather than return cash. If the credit memo is not used, the vendor may carry a credit balance on the account.

One vendor had carried a credit balance of \$850 on their books since 1998. We have requested that the money be returned to the State. Another vendor had used numerous discounts that had not been taken to offset several invoices that had not been paid for years. This works for the vendor, but for the State it means several agencies paid the cost of invoices for other agencies. We have sent the invoices to the appropriate agencies for payment and have requested the credit balance be returned to the State. These credit balances have been returned to the agencies if the agency can be identified.

Employees involved with paying accounts should pay special attention to discounts offered and take them whenever possible. If merchandise is returned to the vendor, someone in the agency's Accounts Payable should be responsible to follow up and make sure the agency receives a refund.

If you have any questions about the recovery audit, please call Carol Young at 801-538-3100 or Gary Belliston at 801-538-3110. ❖



## Frequently Asked Question from FINET Help Desk

**Q** We forgot to print our PVs before they were archived off of FINET. What can we do about it now?

**A** You can make screen prints of the information in FINET. To do this, go to the OPVH Table (Open Payment Voucher Header Table), enter the vendor and voucher numbers, and press *F4*. Make a screen print of the information that displays and then print a hard copy.

Next, press *F2* to bring up the OPVL Table (Open Payment Voucher Line Table) with information from the *Accounting Line* tab. You should also take a screen print and print a hard copy of this information. If the PV has multiple accounting lines, you must take a screen print of each line. After printing the first accounting line, press *F5* to view the next line. Take a screen print, and repeat this process until all lines are printed.

Attach the screen prints to supporting documentation for payment. ❖



### FINET Schedule

**Dec. 3** – FINET open; November monthend  
**Dec. 24** – FINET closed; Christmas holiday  
**Dec. 31** – FINET closed; New Year's holiday



### Payroll Training

Computer-based training on the Payroll System is available on the Finance Web site at [www.finance.utah.gov/training/courses.htm](http://www.finance.utah.gov/training/courses.htm).

*Click on the course names below to view the course descriptions or to access the on-line courses.*

### Classroom Training

We are not offering classroom training during December. To add your name to the waiting list for one of the classes listed below, call 801-538-3082.



[Data Warehouse – Payroll](#), [Data Warehouse – FINET](#), [Budget Control](#), [Grant Accounting Lab](#), [Project Accounting](#), [FINET Inventory](#), [On-line Inquiries](#), [Purchasing Lab](#), [Disbursing Lab](#), [Internal Transactions Lab](#), [Fixed Assets Lab](#)

### FINET On-Line Courses

[FINET System Navigation](#), [FINET Overview](#), [Employee Reimbursements](#), [Purchasing and Disbursing](#), [Cost Accounting](#), [Grant Accounting](#), [Revenues and Receivables](#), [Internal Transactions](#), and [Fixed Assets](#)

### FINET Help Desk

Call 801-538-9690 to resolve immediate questions about using FINET.

### Reservations



To reserve your spot in any class offered this month or to add your name to our waiting list for classes not offered this month, call 801-538-3082. We will notify you when the class is scheduled. If you make reservations and cannot attend, please notify us as soon as possible so we can make your spot available to someone else.

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*Persons with disabilities requiring accommodation should call 801-538-3082 a week before the class to request reasonable accommodation.*

Read descriptions of all our courses and link to on-line courses at:  
[www.finance.utah.gov/training/courses.htm](http://www.finance.utah.gov/training/courses.htm).